



November 9, 2010

Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Proposed Rulemaking On Bill Shock No.10-207 (Empowering Consumers to Avoid Bill Shock) and No. 09-158 (Consumer Information and Disclosure)

Dear Commissioner Genachowski, Baker, Clyburn, Copps and McDowell,

Based on the October 15th *Wall Street Journal* article ("FCC Unveils New Rules for Cell Phone Billing"), we have separately reviewed the above entitled notice of proposed rulemaking as it relates to Bill Shock.

We are providing to you our initial comments which we may further elaborate upon once we meet with affected wireless carriers and complete our surveys of the impact of Bill Shock on our nation's 50 million Latinos, including almost three million small Latino-owned businesses.

We write to you in our capacity as California's largest Hispanic business chamber and as one of the few business chambers in the country (of any race or ethnicity including the US Chamber of Commerce) that also focuses on the needs of our customers.

The FCC's well respected consumer division (Consumer & Governmental Affairs Bureau) and Chairman Genachowski himself have pointed out that this rulemaking is in significant measure based upon the 764 written consumer complaints filed with the FCC during the first half of 2010. In our opinion, if there were only 764 consumer complaints every six months, there would be no problem, given the almost 300 million cell phones in use.

We are also aware of the General Accounting Office's survey indicating the potential for possible problems for 30 million Americans, but have doubts as to the significance of that study. We are also in the process of studying the more pro-government regulatory framework developed by the European Union but are unclear that it is suitable at this time for US consumers.

Unfortunately, neither this Commission, nor the Latino Business Chamber, nor Congress know the extent of consumer concerns and complaints. We point out to you, for example, that virtually none of the written complaints were filed by Latinos. This is not because Latinos are not subject to Bill Shock. It is because the vast majority of the Latino community does not complain or at least does not file written complaints with government agencies in DC.



Latinos are “Perfect Victims.”

In our professional opinion, based upon many other regulatory proceedings we have been involved in, (includes with the Federal Reserve and the California Public Utilities Commission relating to consumer complaints), the Latino community is the subject of more victimization than the population as a whole. Specifically, most of corporate America has determined that Latinos, particularly those with language barriers or who are new immigrants, are “perfect victims.” That is, they will not complain, except perhaps to their family.

Our organization and many of our members have worked with some of the wireless carriers, including AT&T and Verizon. And we have reached out to many other wireless carriers such as Sprint Nextel. We have no evidence at this time that AT&T or Verizon, which generally attempt to be concerned about possible victimization of Latinos have engaged in any of the practices to the extensive degree enumerated in the rulemaking. It is our intention before this rulemaking is completed to fully inquire as to the impact of all wireless carriers practices including those at AT&T, Verizon and Sprint Nextel. We will in particular focus on low income new immigrants and those with limited English fluency, many of whom are very small business owners.

It is also our intention to determine whether specific companies deliberately have hired Latinos to engage in predatory practices against other Latinos by first gaining their trust. This has been a major problem relating to predatory subprime mortgages and may, and we emphasize may, be a similar problem in this proceeding.

Separately, we will be requesting of your consumer division a breakdown by race and ethnicity and where possible income, of the 764 complaints referred to in the rulemaking. We intend to visit with your consumer division when we are in DC November 15-17.

To supplement the inadequate record presently before this Commission on consumer complaints, it is our intention to do a massive national survey of Latinos relating to Bill Shock, including recommendations as to appropriate, relevant and cost effective corporate actions. We will be contacting many of the carriers as well as the Commission’s consumer staff to secure vital input and expertise.

Is this Rulemaking Necessary?

Some wireless carriers and even some commissioners have expressed doubts that this rulemaking is necessary. Based upon our long experience of victimization of Latinos, low income families generally, new immigrants generally, and those with language barriers our response is “It is very necessary and this Commission should be commended.”

Commissioner Baker, while supportive of this rulemaking, legitimately questions whether the best conclusion of this rulemaking would be very specific FCC regulations. Instead, Commissioner Baker wonders whether voluntary high standards by the industry may be a better solution. Our business organization generally believes that a voluntary industry-wide solution, if



truly effective, and with a special focus on underserved communities least able to fend for themselves, is a preferable outcome.

But at this stage, we are unsure as to how many wireless carriers will demand an industry-wide solution that reaches for the lowest common denominator rather than for example, seeking to reach the highest standards set forth by the CEO of Verizon. * We do not support the industry-wide lowest common denominator CTIA consumer code as being sufficient. (Please note we do not always believe that the highest standards enunciated by CEOs are always effectively implemented).

While in DC, we will also contact as many wireless carriers as we can to secure their input particularly as to an effective survey relating to our nation's 50 million Latinos. It should be noted that because of historic underservice of landlines in Mexico, a disproportionately high percentage of low income Latinos, even in the US, prefer cell phones.

Respectfully submitted,

Jorge C. Corralejo
Chairman & CEO
Latino Business Chamber of Greater Los Angeles